8 October 1986

	MEMORANDUM FOR:	Director of Central Intelligence
	FROM:	Douglas J. MacEachin Director of Soviet Analysis
	SUBJECT:	Gorbachev Confronts the Information Revolution Pluses and Minuses and Implications for the United States
	REFERENCES:	 A. DCI Memo to D/SOVA, Subj: Computer Systems, dtd 30 Sep 86 B. D/SOVA Memo to DCI, Subj: SOVA Efforts Targeted at the Soviet Information Revolution, dtd 11 Sep 86
	invitation to o	Requested. I am forwarding for your signature letters of utside participants in the November conference. ound. Because the letters are unclassified, the description of aior session of the conference is vague. That session will be
25 X 1	the final and m	anor session of the conference is vague. That session will be
25X1 25X1	been contacted	articipant listed on the Tab 2 to your letter of invitation has by-telephone. All are interested in attending and most have definite availability.
25X1		Douglas J. MacEachin
	Attachment: As Stated	
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		CONFIDENTIAL
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Central Intelligence Agency



Washington, D. C. 20505

October 8, 1986

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We have been trying for some time to develop a better understanding of the impact of advancing information technologies on the Soviet Union. In the West, advances in computers and telecommunications have had dramatic economic effects and opened up new opportunities for citizens—and governments—to obtain, process, and convey information. The Soviets are at a crucial stage in their own information age. Gorbachev has declared that the Soviets must keep pace with the West in the development and application of information technologies so they can reap the economic benefits. Some Soviets have obliquely cautioned, however, that the information revolution could undermine the state's monopoly on information, thereby trading political control for improved economic performance.

I invite you to participate in a small conference that will grapple with the implications of the Soviets' move into the information age. Other invitees will come from American business, academic, and public policy circles. As outlined in the enclosed prospectus, the conference will first consider Soviet objectives and prospects for key information technologies and applications, and then consider the implications for the United States. Background readings will be provided in advance, and short issues papers will be prepared to facilitate conference discussions.

The conference is scheduled for November 12 and 13 at a conference facility in the Washington, D.C. area. Discussions will be classified at the secret level. We will arrange temporary clearances as necessary for attendees. Your transportation to and from the conference, your lodging and incidental expenses will be borne by the Agency. Additional details and a point of contact are provided in the enclosed conference prospectus.

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I look forward to stimulating discussions on a matter of national concern.

Sincerely,

William J. Casey Director of Central Intelligence

Enclosures:

- Conference Prospectus
 Conference Attendees

Conference Prospectus

Gorbachev Confronts the Information Revolution: Pluses and Minuses and Implications for the United States

Background

The rapid development and widespread application of information technologies have potentially far reaching impact on the Soviet economy and society. By "information technologies" we mean the complex of microelectronic, electro-optic, computer, and telecommunications equipment, systems, and associated software that enables the rapid collection, storage, manipulation, and transmission of data.

In the West these technologies are fueling growth in economic productivity, and increasing the ability of citizens to acquire, manipulate, and convey information. Scientists and engineers have easy access to computational power, problem solving algorithms, and practical analytical models. High quality composing and printing capabilities are available at modest cost. These advances are supporting widespread industrial automation of design and production processes, and the decentralization of commercial and manufacturing activity. At the same time information technologies also offer some opportunities for social control by increasing the ability of governmental, law enforcement, and even commercial organizations to monitor individual activity.

Gorbachev has publicly embraced the information revolution, making the development of the supporting technologies key elements of his industrial modernization program. He has focused on productivity improvements as the central goal of the program and has launched a massive computer literacy effort to prepare the Soviet citizen to assimilate and use the new systems. At the same time, some Soviets have questioned the extent to which the information revolution will be an economic panacea, and Soviet leaders have taken steps to block and counter unwanted information coming into the country from outside and circulating underground within the USSR itself.

The Objective

We want to examine the consequences of the information revolution for the Soviet Union and explore the implications for the US. More specifically, the conference will address the following questions:

- 1. Soviet Motivations. What is the "information revolution" in the West, and how do Soviet leaders perceive its nature? What are the Soviet leadership's objectives in pushing the information revolution? What would be the consequences for economic competitiveness and national security of the Soviets lagging behind?
- 2. <u>Soviet Prospects</u>. How quickly will the Soviets advance in the development, acquisition, and application of information systems? How will their advance be constrained by technical and resource limitations, and by political decisions to forego more aggressive

applications? What will be the consequences of likely Soviet advances for economic and military competitiveness and for political and social control? Will the Soviets be able to pursue a two-pronged policy of upgrading regime controlled information systems while simultaneously curtailing the flow of unwanted information into the country from the West and the internal dissemination of information through unofficial channels?

3. Implications for the United States. How might Soviet success or failure in various degrees benefit or hurt United States interests? What influence could the United States exert on the Soviet future--US and allied trade and export control policies, international technical and commercial conventions, and other measures?

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Approach

The conference will be chaired by					
Conference participants bring a variety of expertise in					
information technologies and their impact; Soviet technology, industry, and					
society; and US public policy. The conference will be held on 12-13 November					
1986, at Airlie House, Virginia (a map is enclosed). The					
conference agenda is as follows:					

November 12

1600	Arrival and check-in	
1730	Cocktails and welcoming remarks	
1800	Dinner	
1930-2130	Session 1. Soviet Motivations	
	Overnight Stay	

November 13

0730	Breakfast	
0830	Session 2.	Soviet Prospects
1200	Lunch	
1300	Session 3.	Implications for the United States
1700	Departure	·

CIA's Office of Soviet Analysis will prepare a collection of background readings and several issues papers to facilitate conference discussion. These will be mailed to participants prior to the conference. Participants are asked to review the issues papers and be prepared to contribute to the discussions. Participants need not prepare any written submissions or make any formal presentations, although we would welcome any suggestions for additional background materials. Conference discussions will be recorded and CIA will prepare unclassified conference proceedings. Any suggestions for or questions on the conference should be directed to:

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Central Intelligence Agency Washington, D.C. 20505



